



A PHI Company

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FILED VIA DELAFILE AND ELECTRONIC MAIL

Ms. Donna Nickerson, Acting Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: PSC Docket No. 11-330 – Delmarva Power & Light Company's
Energy Wise Rewards Residential Direct Load Control Program –
Fourth Quarter 2014 Report

Dear Ms. Nickerson:

Enclosed for filing is Delmarva Power & Light Company's Fourth Quarter 2014 Report in the above-referenced docket. This filing is being made in compliance with ordering Paragraph No. 4 of Order No. 8253 in Docket No. 11-330. As we move into the First Quarter of 2015, Delmarva would like to meet with representatives from Commission Staff and the Division of the Public Advocate to discuss the mechanics of the Program on a going forward basis. We will reach out to the appropriate parties to schedule such meeting.

Should you have any questions, please feel free to contact me at the number referenced above.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Pamela J. Scott", with a long horizontal flourish extending to the right.

Pamela J. Scott

Enclosure

cc: Service List in Docket 11-330

Delmarva Power
New Residential Air Conditioner Cycling Program
Quarterly Performance Report
October - December 2014
Order No. 8253

Submitted by: Delmarva Power
On: January 30, 2015

Program Implementation Status

1. Program Authorization: The New Residential Air Conditioner Cycling Program was approved on December 18, 2012 by Order No. 8253.
2. Launch of the Program Website and Program: The website became operational on April 11, 2013. Customer Education materials and *Energy for Tomorrow* (EFT) conversion materials were created, produced and distributed to support the launch of the Program in early April of 2013.
3. Device Goal: Through the *Energy Wise Rewards* (EWR) Program, 52,985 devices were installed by year end 2014, which exceeded the goal of 51,500 devices by 1,485.

Device Goals

- 19,600 installed devices in the Program by the end of 2013.
- 41,200 installed devices in the Program by the end of 2014.
- 51,500 installed devices in the Program by the end of 2015.

Enrollments and Installations

The recruitment of customers for the Program began in April 2013, with the installation of equipment following in short order as the customers enrolled and scheduled installation appointments.

The EFT-to-EWR conversion was the primary recruitment tool in 2013 and installations associated with this process were mostly complete by the end of Q1 2014. The Company also recruited customers through the joint Energy Wise Rewards and Peak Energy Savings Credit program educational materials and advertising campaign advising customers of the “2 Ways to Save” energy and money.

The Company began door-to-door recruitment for Energy Wise Rewards participation in Q1 2014 in New Castle County and in Q3 2014 in Kent and Sussex counties. Out-bound calling began in all three counties – Kent, New Castle and Sussex in Q2 2014. These recruitment efforts

were used in 2014, in conjunction with the joint Peak Energy Savings Credit awareness activities, to encourage customer participation.

The table below of monthly enrollments is provided in accordance with Delmarva Power's response to Staff's data request PSC-JCZ-7 in Docket No. 13-115, submitted on July 26, 2013. Enrollments signify a customer's request to participate in the Program, as well as the non-opt-outs in the EFT-to-EWR conversion process.

Program Enrollments

Month	Customer EWR Enrollment Requests	EFT Conversion to EWR Enrollments*	Total EWR Enrollments
April-13	242	0	242
May-13	569	3,581	4,150
June-13	1,142	6,170	7,312
July-13	1,990	4,098	6,088
August-13	1,181	6,926	8,107
September-13	620	3,267	3,887
October-13	721	8,475	9,196
November-13	140	11,335	11,475
December-13	378	3,258	3,636
Total 2013	6,983	47,110	54,093
January-14	1,081	1,652	2,733
February-14	2,776	1,497	4,273
March-14	1,611	0	1,611
April-14	4,169	0	4,169
May-14	2,693	0	2,693
June-14	1,314	0	1,314
July-14	1,990	0	1,990
August-14	1,439	0	1,439
September-14	790	0	790
October-14	1,605	0	1,605
November-14	777	0	777
December-14	962	0	962
Total 2014	21,207	3,149	24,356
Total	28,190	50,259	78,449

* It is important to note that the process for converting from Energy for Tomorrow to EWR takes between 10 and 12 weeks from the first notification to the customer to the installation of the device. This is largely due to the defined number of steps in the conversion process to ensure that customers receive the proper level of notification about the program to understand it and to make a decision as to whether to proceed or opt out. A customer is considered "enrolled" in the program after completion of the 3rd out of 4 notification steps, and remains enrolled for 6 weeks as the notification process is completed.

The EFT Conversion to EWR Enrollment process was completed in Q1 2014 and no additional enrollments into the EWR program will occur from this process.

The table below lists the actual installations to date and the original forecasted installations for the Program. The EWR program has surpassed its program device goal by more than 1,400 devices. The Company will continue to conservatively recruit customers and install devices through the initial planned recruitment period of Q2 2015. This will allow the Program to obtain and maintain active participants to replace those who unenroll from the Program, which will support the PJM revenues. Through the end of 2014, 8 percent of participants have unenrolled, due to changes in the customer's lifestyle, the decision that they no longer wish to participate, or a lack of response to the EFT-to-EWR conversion notification and once they were installed they requested to be removed from the Program. As of December 31, 2014, 48,605 of the installed devices are active and able to be cycled to reduce energy use.

Installations		
	Target	Actual
1Q 2013	-	-
2Q 2013	4,350	1,051
3Q 2013	7,650	9,667
4Q 2013	7,600	10,530
Total	19,600	21,248
1Q 2014	5,400	7,852
2Q 2014	5,400	9,811
3Q 2014	5,400	7,880
4Q 2014	5,400	6,194
Total	21,600	31,737
Program to Date	35,800	52,985

Customer Education/Awareness

1. Program and Customer Education Materials:

- The direct mail materials for EFT-to-EWR participant conversion began in April 2013 and continued through Q4 2013. Device installations for former EFT customers were generally completed in Q1 2014.
- The direct mail materials for the 2013 Peak Energy Savings Credit (PESC) and EWR joint customer education campaign began in June 2013 and concluded in September 2013.
- The 2013 PESC and EWR joint advertising campaign was conducted July through September 2013. The campaign used print ads, TV spots, radio spots and billboards throughout the state.

- The direct mail materials for the spring 2014 EWR recruitment were sent in March and April 2014. This recruitment effort was in conjunction with the PESC and EWR joint customer education campaign that occurred during the summer months.
- The 2014 PESC and EWR direct mail education and recruitment campaign began in June 2014 and was completed in September 2014.
- The 2014 PESC and EWR joint advertising campaign also began in June 2014 and concluded in August 2014. The campaign included web advertising, billboards, newspaper print ads, and bus transit shelter ads.
- The direct mail for the Fall EWR recruitment campaign began in October 2014 and concluded in November 2014.

2. The website was available for customer enrollments beginning in April 2013.

Program Cost Data

Table 1 below provides Program cost detail by quarter and Program to date.

Delmarva Power Delaware Residential Air Conditioner Direct Load Control (DLC) Program Quarterly Performance Report Through December 2014													
	O&M (Columns D, F, G, H)		Capital (Column B)		Marketing (Column C)		Customer Installation Credit (Subset of Column E)		Customer Annual Incentives (Subset of Column E)		Residential Demand Response Total (Column I)		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
1Q 2013	\$ 290,820	\$ 92,676	\$ -	\$ -	\$ 326,154	\$ 27,135	\$ -	\$ -	\$ -	\$ -	\$ 616,974	\$ 119,811	\$ (497,163)
2Q 2013	\$ 408,008	\$ 183,179	\$ 1,026,444	\$ 65,407	\$ 1,043,588	\$ 391,812	\$ 248,400	\$ 41,560	\$ -	\$ -	\$ 2,726,440	\$ 681,958	\$ (2,044,482)
3Q 2013	\$ 408,009	\$ 181,199	\$ 1,673,550	\$ 1,283,735	\$ 733,844	\$ 567,675	\$ 405,000	\$ 408,140	\$ -	\$ -	\$ 3,220,403	\$ 2,440,749	\$ (779,654)
4Q 2013	\$ 408,009	\$ 269,695	\$ 1,673,550	\$ 2,196,215	\$ 570,764	\$ 315,747	\$ 405,000	\$ 463,450	\$ -	\$ -	\$ 3,057,323	\$ 3,215,107	\$ 157,784
2013 Totals	\$ 1,514,846	\$ 726,749	\$ 4,373,544	\$ 3,515,357	\$ 2,674,350	\$ 1,302,369	\$ 1,058,400	\$ 913,150	\$ -	\$ -	\$ 9,621,140	\$ 6,457,625	\$ (3,163,515)
1Q 2014	\$ 369,092	\$ 228,828	\$ 1,204,956	\$ 1,017,168	\$ 360,000	\$ 143,498	\$ 291,600	\$ 320,820	\$ 12,000	\$ -	\$ 2,237,648	\$ 1,710,314	\$ (527,334)
2Q 2014	\$ 369,092	\$ 146,089	\$ 1,204,956	\$ 1,959,521	\$ 940,000	\$ 466,492	\$ 291,600	\$ 385,650	\$ -	\$ -	\$ 2,805,648	\$ 2,957,752	\$ 152,104
3Q 2014	\$ 369,092	\$ 159,456	\$ 1,204,956	\$ 1,493,965	\$ 500,000	\$ 748,787	\$ 291,600	\$ 342,180	\$ -	\$ 4,231	\$ 2,365,648	\$ 2,748,619	\$ 382,971
4Q 2014	\$ 369,091	\$ 228,972	\$ 1,204,956	\$ 1,034,228	\$ 360,000	\$ 648,623	\$ 291,600	\$ 257,300	\$ 85,000	\$ 6,978	\$ 2,310,647	\$ 2,176,101	\$ (134,546)
2014 Totals	\$ 1,476,367	\$ 763,345	\$ 4,819,824	\$ 5,504,882	\$ 2,160,000	\$ 2,007,400	\$ 1,166,400	\$ 1,305,950	\$ 97,000	\$ 11,209	\$ 9,719,991	\$ 9,992,786	\$ (272,795)
Program Totals	\$ 2,991,213	\$ 1,490,094	\$ 9,193,368	\$ 9,020,239	\$ 4,834,350	\$ 3,309,769	\$ 2,224,800	\$ 2,219,100	\$ 97,000	\$ 11,209	\$ 19,340,731	\$ 16,050,411	\$ (3,290,320)

Revenues

PJM market earnings for EWR began accruing June 1, 2014. The total earnings for the reporting period of October 1 to December 31 were \$227,706. The 2014 total earnings were \$513,699.

DOCKET NO. 11-330

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